SAN FRANCISCO AIRPORT COMMISSION



December 16, 2014

9:00 A.M.

Room 400 - City Hall #1 Dr. Carlton B. Goodlett Place (400 Van Ness Avenue) City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS LARRY MAZZOLA President LINDA S. CRAYTON Vice President ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN

> JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of December 16, 2014

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AIRPORT COMMISSION MEETING MINUTES December 16, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present:

Hon. Linda S. Crayton, Vice President Hon. Eleanor Johns Hon. Richard J. Guggenhime Hon. Peter A. Stern

Absent:

Hon. Larry Mazzola, President

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C. ADOPTION OF MINUTES: The minutes of the regular meeting of December 2, 2014 were adopted unanimously.

No. 14-0251

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D. ITEMS INITIATED BY COMMISSIONERS: There were no items initiated by Commissioners.

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- E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 1 was removed from the calendar without discussion.
 - 1. <u>Award Contract 10506.43 Automated Passport Control Kiosks Vancouver</u> <u>Airport Authority (YVRAA) - \$2,874,000</u>

Resolution awarding Contract 0506.43 for installation and maintenance of Automated Passport Control (APC) Kiosks in the International Terminal to Vancouver Airport Authority (YVRAA) in an amount not to exceed \$2,874,000 for a period of three years with two one-year options exercisable at the sole discretion of the Airport Commission.

Item No. 2 was removed from the calendar without discussion.

2. <u>Modification No. 1 to International Terminal Equipment Maintenance and</u> <u>Operating Agreement 12-0064 - San Francisco Terminal Equipment Company,</u>

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LLC - \$3,000,000

Resolution approving Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement 12-0064 with San Francisco Terminal Equipment Company, LLC, to increase patron assistance and document verification services funding by \$3,000,000, for a total amount not to exceed \$21,000,000 for the remainder of the agreement term, which expires June 30, 2021.

Item Nos. 3 and 4 were called together. The items were moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.

 Authorization to Accept and Expend California Department of Water Resources Proposition 84 Integrated Regional Water Management Grant in the Amount of \$750,000 and to Enter into Local Project Sponsor Agreement with the Association of Bay Area Governments for Use and Administration of the Grant Funds in the Construction of the Airport's Recycled Water System

No. 14-0252

Resolution authorizing the Director to accept and expend the California Department of Water Resources Proposition 84 Integrated Regional Water Management Grant in the amount of \$750,000 and to enter into a Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) for use and administration of the grant funds in construction of the Airport's Recycled Water System.

Mr. Geoff Neumayr, Deputy Director, Design & Construction said two resolutions are being presented to you for your approval. The first seeks authorization to accept and expend funds from the California Department of Water Resources for construction of the Airport's reclaimed water facility. The second is for the termination for convenience of the current design build services for the Industrial Wastewater Treatment Plant and the authorization to issue a RFP/Q for a revised scope for the Industrial Wastewater Treatment Plant.

The first resolution provides for the acceptance of a \$750,000 grant from the California Department of Water Resources to assist with the construction of a new reclaimed water facility within the Industrial Wastewater Treatment Plant. This grant will help offset the estimated \$5.2 million cost for construction.

The second resolution provides for the termination for convenience of the design build contract for the Industrial Wastewater Treatment Plant and authorizes staff to reissue a RFQ/P for design build services for a revised scope of the Industrial Wastewater Treatment Plant. During programming and design phases additional scope was identified to correct the deteriorated system that was not contemplated within the original scope and budget of the contract. This work included upgrading processes, changing piping throughout the facility and construction of new sledge drawing bids. The original contract was estimated to be \$28 million, but with the revised scope it's now estimated to be \$50.7 million. The status scope of work will provide for a much more robust system and provide for added redundancy to assure compliance with all requirements mandated under the Airport's permit to operate. Because the revised scope is significantly different than the original contemplated, staff recommends terminating this contract for convenience because it's in our best interest to ensure that the Airport is well served by procuring a qualified and competitive proposal for the expanded scope and provide for cost effective delivery of the treatment plant facility upgrades. Total anticipated expenditures for the current design-build contract is \$3.8 million and provides for programming and design services, technical investigation and development of a master plan for the reclaimed water distribution.

All information provided in the services by the current contract will be incorporated in the new competitively procured design-build contract. Staff also recommends issuing a RFQ/P for award of new design-build services for the revised scope for the Industrial Waste Treatment Plant. The scope of work will include the original base scope, the revised scope, as well as the reclaimed water facility, and we will add to that the water distribution system for reclaimed water to the Terminal Complex. The estimated value of this design-build contract is \$64 million and an anticipated duration of 36 months. Staff will convene a selection panel to evaluate and score the technical proposals and the oral interviews. Staff will score the cost proposals and add the proposers technical oral interview and cost scores and determine a final ranking for each of the two projects. Staff will negotiate with the highest ranked firm, and failing successful negotiations with the highest ranked proposers, staff will negotiate with the next successful ranked proposers until negotiations are successful. Upon conclusion of successful negotiations staff will return to the Commission with a recommendation to award this contract. Staff will work with the City's Contract Monitoring Division to develop subcontracting participation goals for this contract.

Commissioner Johns asked if SCCI is okay with this termination.

Mr. Neumayr replied that they are. We met with them and they understand that in actuality when they proposed this contract their fees were not really matching with the original scope, so it wasn't beneficial for either party. It's also a benefit to the Airport as well because we consolidated other capital projects and now it will be one contract. This will be much more effective for us. The fact that we're adding the original scope, upgrading the Industrial Waste Treatment Plant, adding the recycled water facility and the distribution system is a benefit to help us expedite these projects and move them forward much quicker.

Mr. Neumayr said that when we got into programming with stakeholders in 2012 there was a different definition of scope. Since then there have been a lot of changes, regulatory requirements, and various needs of the Airport. There have been a lot of discoveries during the programming and design phase with our stakeholders so we had to make a choice at that point to go ahead and stay with this contract, or do we take advantage of the great design that we can utilize and move forward with, but combine projects so that we can be more effective.

Commissioner Johns asked if there are other projects that are merged.

Mr. Neumayr said they are all in the vicinity. This is all new but it's all in the same vicinity of the treatment plants. It's a big complex facility.

- 4. <u>Terminate for Convenience Contract 8427CA Design-Build Services for the Mel</u> <u>Leong Treatment Plant, Industrial Wastewater Treatment Plant Upgrades Project</u> <u>and Authorization to Issue a Request for Qualifications/ Proposals for Contract</u> <u>8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial</u> <u>Wastewater and Recycled Water Upgrades Project</u>
 - No. 14-0253 Resolution terminating for convenience Contract 8427CA, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater Treatment Plant Upgrades Project and authorizing the Director to issue a RFQ/RFP for Contract 8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project.

Item No. 5 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. <u>Award Professional Services Contract 9350.9 - Project Management Support</u> <u>Services for the Revenue Enhancement and Customer Hospitality (REACH)</u> <u>Improvements Project - ABA Global, Inc. - \$650,000</u> \$431,816

No. 14-0254 Resolution awarding Professional Services Contract 9350.9, Project Management Support Services for the REACH Improvements Project, to ABA Global, Inc. with a not-to-exceed amount of \$650,000 \$431,816 for the first year of services and a contract duration of 36 months.

Mr. Neumayr said this item awards Project Management Support Services to ABA Global for the Airport's Phase 1 implementation of the REACH program in the International Terminal for the first year of services in the amount of \$431,000. We developed REACH, an acronym for Revenue Enhancement and Customer Hospitality, to provide a framework that guides a design process in developing an exceptional project experience that is uniquely San Francisco with the intended outcome of increasing revenues in food/beverage and concessions. The scope of work provides Project Management Support Services for Design and Construction and support of the REACH program. The scope of services will include planning, stakeholder coordination, and design and construction management. Phase 1 of REACH is to implement initial scopes of work related to enhancing the passenger experience in the International Terminal. This scope will include new restrooms, restroom renovations, modification of existing lighting, new furnishing and workstations, development of re-composure and pre-composure areas, enhance

concession areas, and new amenities such as signage, displays, and hydration stations. As ABA Global was the only firm to respond to the RFP, a selection panel was not convened. Staff determined that market conditions, other larger contracting opportunities, and non-traditional construction management scope of services decreased interest in this project. Staff evaluated the proposals and qualifications and found ABA Global's proposal to be satisfactory and met the RFP qualifications. The anticipated value of this contract is \$1.3 million with a 36 month duration. Staff will return to the Commission with a recommendation for the full amount of this contract once we fully understand the scope of work after completion of this design phase. CMD has approved a 20% LBE subcontractor participation goal and the contractor is committed to meeting this goal.

Commissioner Crayton asked if we normally do an Engineering estimate.

Mr. Neuymayr replied not in consulting services.

Commissioner Crayton asked if it's unusual that we only received one proposal.

Mr. Neumayr said it's getting more and more difficult to create competition given the fact that there's a lot of work out there. This was also a unique contract that required matching up design services with construction management, so it posed an interesting relationship between architects and construction managers. It's also not a big contract. It's not surprising, it's disappointing.

Commissioner Crayton asked how you ballpark that figure to know if the proposal provides a good number.

Mr. Neumayr said that for project management support services we budget 4% of the estimated construction value of the contract. This is well within that 4%.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

6. <u>Award Second Year Permits for the Pop-Up Retail Concession Program in</u> <u>Boarding Area E, Terminal 3 - E. W. Wightman & Co. dba Elizabeth W and XOX</u> <u>Truffles, Inc.</u>

No. 14-0255Resolution approving two awards of the second year
permits for the Pop-Up Retail Concession Program
in Boarding Area E, Terminal 3, subject to complying
with Chapter 12B, Equal Benefits Ordinance, to E.W.
Wightman & Co. dba Elizabeth W, and XOX Truffles,
Inc.

Mr. Leo Fermin, Chief, Business & Finance Officer said the opening of Boarding Area E featured two pop-up retail spaces which provides opportunities for local small business retailers to showcase their merchandise and give them a chance to see what it's like to operate at the Airport. These pop up spaces are finished for the retailers and enable them to easily market their products on a trial basis at a very low cost. The first year for the first two retailers will end in March, 2015 and we request that you offer one year leases to the next two retailers in the program. After the second round of awards, we will have two retailers remaining on the original list approved by you so we will likely go out with an RFP next year to add more small local retailers to the program. The first lease award is to Elizabeth W which sells quality bath and beauty products made in San Francisco. The second award is to XOX Truffles which creates high quality chocolate products on site in North Beach. I'll be happy to answer any questions.

Commissioner Crayton asked how the finalist is selected and do we go through the process used for other concessions at the Airport, or is it a different process?

Mr. Fermin said we actually did a special outreach. Staff went out to all the different neighborhoods in SF and other communities in the Bay Areas and listed at different retail stores and gave them information about the Airport and about the program. So we actually did site visits to many neighborhood shopping locations and we also advertised in many of the small business associations, and so on. So we did a lot of outreach for this, specifically for this program.

Commissioner Crayton commented great, I like that. And so in essence, these are for people that are already in business, have retail establishments outside.

Mr. Fermin replied yes.

Commissioner Crayton said okay, good.

Mr. Fermin said we wanted to give them a chance to see what it's like to operate at the Airport.

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- F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: The Consent Calendar, Item Nos. 7, and 9 through 14, was moved by Commissioner and seconded by Commissioner. Item No. 8 was voted on separately. The vote to approve was unanimous.
 - 7. <u>Award Contract 8593 Construction Services for Boarding Area G 400 Hz System</u> <u>Infrastructure Improvements Project - Schembri Construction Co. - \$3,191,944</u>

No. 14-0257 Resolution awarding Contract 8593, Construction Services for the Boarding Area G 400 Hz System Infrastructure Improvements Project to Schembri Construction Co., Inc., in an amount of \$3,191,944 with a corresponding contingency and with a contract duration of 365 consecutive calendar days.

Commissioner Guggenhime announced that he had a potential conflict with Item No. 8. Commissioner Johns moved that Commissioner Guggenhime be recused from voting on Item No. 8. Commissioner Stern seconded the motion. The vote

to recuse Commissioner Guggenhime was unanimous. Commissioner Guggenhime left the room during the vote. There was no discussion of the item.

Commissioner Johns moved Item No. 8 and Commissioner Stern seconded the motion. The vote to approve Item No. 8 was unanimous.

- 8. <u>Award Professional Services Contract 10050.43 Architecture and Engineering</u> <u>Design Services for the Fire House No. 3 and South Field Checkpoint Relocation</u> <u>Project - Shah Kawasaki/YamaMar Joint Venture - \$1,786,240</u>
 - No. 14-0258 Resolution awarding Professional Services Contract No. 10050.43, Architecture and Engineering Design Services for the Fire House No. 3 and South Field Checkpoint Relocation Project to Shah Kawasaki/ YamaMar Joint Venture, in an amount not to exceed \$1,786,240 with a contract duration of 25 months.
- 9. <u>Authorization to Issue RFQ/P for Contract 10060.71 Construction Manager/</u> <u>General Contractor Services for Ground Transportation Unit (GTU) Relocation</u>
 - No. 14-0259 Resolution authorizing the Director to issue a RFQ/P for Contract 10060.71, Construction Manager/ General Contractor Services, Ground Transportation Unit Relocation.
- 10. <u>Adopt the Findings and Recommendations of the "Guidance for Incorporating Sea</u> <u>Level Rise Into Capital Planning in San Francisco"</u>
 - No. 14-0260 Resolution adopting the San Francisco Capital Planning Committee document, "Guidance for Incorporating Sea Level Rise into Capital Planning in San Francisco: Assessing Vulnerability and Risk to Support Adaption" and accepting its findings and recommendations.
- 11. <u>Award Professional Services Contract 50005 with Airports Council International</u> (ACI) to Perform Customer Surveying and Service Benchmarking Associated with the Airport Service Quality Program in an Amount Not-to-Exceed \$479,355
 - No. 14-0261 Resolution awarding Professional Services Contract 50005 with ACI to perform all activities related to participation in Airport Service Quality Survey and Benchmarking program in the not-to-exceed amount of \$479,355 for a period of five years.
- 12. <u>Authorization to Issue a RFQ to Establish As-Needed Pools of Consultants to</u>

Provide Professional Services for Communications and Marketing Services

No. 14-0262 Resolution authorizing the issuance of a RFQ to establish a pool of no more than five firms to provide Communications and Marketing services on an asneeded basis.

13. <u>Lease Agreement with Swissport Cargo Services, L.P. for Space in West Field</u> <u>Cargo Building 632 and Related Areas on Plot 9</u>

No. 14-0263 Resolution approving a lease agreement with Swissport Cargo Services, L.P. for approximately 19,048 square feet of office and warehouse space in West Field Cargo Building 632 and related areas on Plot 9, for a term of three years, with two one-year options to extend the term exercisable by Swissport Cargo, and an initial rent of \$438,104.

14. Approval of Wireless Charging Trial

No. 14-0264

Resolution authorizing, on a month-to-month basis up to twelve months, a trial of wireless charging to Intel Corporation, at a minimum rent of \$1,000 per location for a not-to-exceed total of eight locations.

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G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to two (2) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

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H. CORRESPONDENCE: There was no discussion by the Commission.

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I. CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION/ PROSPECTIVE SETTLEMENT

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code §54956.9) and the Sunshine Ordinance (San Francisco

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Administrative Code §67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

The Commission went into closed session at 9:25 AM.

(c) [PROSPECTIVE CLOSED SESSION]

CONFERENCE WITH LEGAL COUNSEL regarding pending litigation as plaintiff (Government Code §54956.9, Administrative Code §67.8(a)(3)): *People of the State of California* v. *FlightCar, Incorporated,* et al., California Superior Court, County of Santa Clara Case No. 1-13 CV 251634, filed May 31, 2013; DISCUSSION ONLY.

CONFERENCE WITH LEGAL COUNSEL regarding pending litigation as defendant (Government Code §54956.9, Administrative Code §67.8(a)(3)): *JRI, Inc.* v. *The City and County of San Francisco,* et al., California Superior Court, County of Alameda Case No. HG10520625 filed June 17, 2010 (served Oct. 5, 2012). DISCUSSION ONLY.

CONFERENCE WITH LEGAL COUNSEL regarding pending litigation as defendant (Government Code §54956.9, Administrative Code §67.8(a)(3)): *Gan Ye and Xiao Yun Zheng* v. *The City and County of San Francisco,* et al., United States District Court, Northern District of California, Case No. 3:14-cv-04941-YGR, filed August 13, 2014. DISCUSSION ONLY.

There are no other planned agenda items for the closed session. In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in closed session, the Airport Commission may discuss and vote whether to conduct a closed session under the Brown Act (Government Code §54954.2(b)(2) and §54954.5) and the Sunshine Ordinance (Administrative Code §67.11).

(d) [RECONVENE IN OPEN SESSION]

(i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code §54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code §67.12(b)).

(ii) Discussion and vote whether to disclose any or all discussions held in closed session (San Francisco Administrative Code §67.12(a)). ACTION ITEM.

The Commission went back into open session at 9:39 AM and voted unanimously not to disclose the nature of the closed session.

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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:40 AM.

(Original signed by Jean Caramatti) Jean Caramatti Commission Secretary